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Innovation and Social Investment Programs in Europe

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There is a lack of empirical research around sub-national Social Investment programs, and a lack of connectivity with social innovation. This paper addresses these gaps by drawing on twenty individual case study evaluations, conducted across ten EU member states as part of a larger Horizon 2020 project (Innovative Social Investment: Strengthening communities in Europe, grant agreement number: 649189). It does so through a "governance of activation" lens. We find that volunteering was a significant feature of many of the cases we researched, as both a means of funding Social Investment, and a means by which activation (through the development of human and social capital) might be achieved. Yet volunteering is a gap in the theoretical literature around Social Investment, and one that needs to be addressed. We also find that examining Social Investment at the local level provides a much more nuanced and complex picture than nationally focused extant research.

KEY WORDS: Social investment, social innovation, case study evaluation, volunteering, active labor markets

欧洲创新和社会投资项目

关于次国家社会投资项目的实证研究还较为匮乏，同样缺少的是与社会创新相通的连接性。本文通过选取由 *10* 个欧盟成员国实施的 *20* 例独立案例研究评价——作为"地平线*2020*"项目的一部分 *(*创新社会投资*:* 加强欧盟社区*,* 拨款协议号*:649189)* ——进而填补了这些研究空白。本文以一种"激活治理"的视角进行上述研究。研究发现，自愿性是所研究的许多案例中的显著特征*,* 这种自愿性不仅作为资助社会投资的一种方式*,* 还作为一种完成激活 *(*通过人力和社会资本发展*)* 可能所需要的方式。因此自愿性是研究社会投资的理论文献所缺少的空白，这一空白需要填补。研究还发现，从地方层面检验社会投资比从国家层面聚焦现有研究更能提供更加细微和复杂的情形。

关键词: 社会投资, 社会创新, 案例研究评价, 自愿性, 活跃的劳动力市场

Programas de innovación e inversión social en Europa

Hay una falta de investigación empírica alrededor de los programas sociales subnacionales, y una falta de conectividad con la innovación social. Este documento aborda estos vacíos recurriendo a veinte evaluaciones individuales de casos de estudio, realizadas en diez estados miembros de la UE como parte del proyecto Horizonte 2020 (Inversión social innovadora: Fortalecimiento de las comunidades en Europa, acuerdo de subvención número: 649189). Lo hace a través de un lente de la "gobernanza de la activación." Encontramos que el voluntariado era una característica importante de

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muchos de los casos que investigamos, como un medio para financiar la Inversión Social, y un medio por el cual la activación (a través del desarrollo del capital humano y social) podría lograrse. Sin embargo, el voluntariado es un vacío en la literatura teórica de la Inversión Social, y se debe abordar. También hallamos que examinar la Inversión Social a nivel local proporciona una imagen mucho más matizada y compleja que la que proporción la investigación existente enfocada a nivel nacional.

PALABRAS CLAVES: inversión social, innovación social, evaluación de estudio de caso, voluntariado, mercados laborales activos

Introduction

Social Investment refers to the idea that welfare states must invest to strengthen skills and capacities in a competitive knowledge economy, and implies policies and interventions that aim to build the productive capacities of citizens (Deeming & Smyth, 2017). There is a considerable body of academic literature around the notion of Social Investment as a new welfare paradigm, particularly in relation to advanced European welfare states. Often associated with the work of authors such as Esping-Anderson (1999), Giddens (1998) and Hemerijck (2013), Social Investment is increasingly moving from a theoretical and normative approach to empirical studies of changes in social policy and practice in European countries (Kazepov & Ranci, 2017). However, the extant empirical research is largely macro-comparative analysis of changes in national government expenditure. Although some recent scholarly writing on Social Investment has highlighted the importance of local action, and of non-government actors (Ferrara, 2017; Sabel, Zeitlin & Quack, 2017), there are few empirical explorations of these issues (Kazepov & Ranci, 2017). Very little research looks at sub-national level examples of Social Investment.

This gap is significant. Firstly, by focusing at country-level, much of the existing research ignores differences within countries, and particularly the role of local government and local communities in designing, implementing, and delivering Social Investment. This is important, as most Social Investment interventions, especially in the form of "capacitating services" (Hemerijck, 2017), are delivered and experienced locally. Secondly, while examining changes in social expenditure has a number of advantages (Kuitto, 2016), we would suggest that testing claims of a paradigmatic shift in welfare policies requires deeper analysis. Such analyses will also help address some of the noted limitations of the macro-comparative social expenditure approach. Finally, a paradigm shift implies not only national and supra-national policy reform, but also change in practice at meso- and micro-levels (Nicholls & Teasdale, 2017). Exploring programs and interventions at the sub-national level is therefore essential.

This article aims to address such gaps in the extant empirical literature, and to further understanding of the different service models used in Social Investment at the local level. It does this though new empirical evidence in the form of twenty case study evaluations, conducted across ten EU member states as part of a larger research program under Horizon 2020 (Innovative Social Investment:

Strengthening communities in Europe, grant agreement number: 649189). The overall aim of the project was to identify and evaluate examples of innovative and strategic approaches to social welfare reform at regional and local levels. Related to that aim are the following research questions:

1. How are Social Investment programs organized and funded at the sub-national and local level?
2. What combinations of government and non-government actors contribute to the implementation of social investment at sub-national levels?
3. In what ways are local Social Investment programs socially innovative?

Guided by these research questions, the findings outlined below are primarily (though not exclusively) focused on innovation in the "governance of activation" (Van Berkel & Borghi, 2008); in how activation is organized, financed, achieved, and measured.

This article identifies some of the key themes, commonalities, and outliers across the twenty cases. It is structured as follows. Firstly, we outline the definition of Social Investment utilized in this research, drawing briefly on some of the debate around what constitutes Social Investment, whether and how Social Investment might be distinguished from more traditional, consumption-based social protection programs, and whether there has been a paradigmatic shift toward Social Investment in advanced welfare states. We also define social innovation, and discuss its relationship to Social Investment. Secondly, we explain the method used to select the twenty cases, and provide an outline of the empirical research underpinning the findings presented here, including details of how the synthesis was completed. Our analytical approach draws on the governance of activation literature. While this literature is generally focused on active labor market programs, it can be applied in related policy fields such as education, social security, family and life course, and housing (Heidenreich & Graziano, 2014). Thirdly, we set out four themes or findings that arise from the analysis, particularly focusing on how Social Investment is funded and delivered, as well as on examples of innovation. We also touch on how the case studies seek to demonstrate the impact of their work. Finally, we draw some conclusions from these findings for the wider academic and policy debate around the Social Investment "paradigm."

Understanding Social Investment as a Social Policy Program

The article is intended to provide an empirical examination of Social Investment programs/interventions at the local or regional level in ten EU member states. As such, it is not intended to engage with the theoretical debate around the concept, nor to contribute to discussions around what constitutes Social Investment. Nevertheless, it is important to set out how the concept of Social Investment is understood, and to identify areas of where there is a lack of clarity in definitions of Social Investment, and/or significant criticism.

Core to understanding the concept of Social Investment is its underlying assumption that post-industrialization and the transition to a knowledge-based economy have generated a new set of challenges for individuals and families (Taylor-Gooby, 2004; Van Kersbergen & Hemerijck, 2012). These challenges necessitate a shift in focus of the welfare state—from a system that passively protects individuals and families during specific periods, to one in which an "active welfare state" focuses on "productive" social spending. Such a shift would result in a focus on welfare programs that are considered to be "Social Investments" (Brettschneider, 2008) because they are enabling, activating, and/or investing in the future both of individuals and the wider economy. The concept of a Social Investment welfare paradigm has become highly influential in public policy globally, especially in Europe. It implies that spending on welfare is a long-term investment to improve prospects for economic and social participation (Hemerijck, 2013; 2015; Leoni, 2015). Policy interventions typical of Social Investment include labor market activation and early years education and care. At the heart of Social Investment lies the idea that welfare states must invest in human capital over the life course. Thus, individuals, families, and societies are prepared, so that they can adapt to transformations such as changing career patterns and working conditions, new social risks, population aging, and climate change (Esping-Andersen, Gallie, Hemerijck & Myles, 2002).

The concept is not without its critics or criticisms. A number of academics have questioned whether it can be credibly presented as a "paradigm"; whether the distinction between social "investments" and other social spending is robust conceptually; what difficulties are faced in seeking to make such a distinction empirically; and whether focusing on that distinction and on a narrowly economic rationale is the most useful way to frame the debate about this (Nolan, 2013). Others have raised concerns that the focus on economic return is such that some welfare provision may be undermined, and that this is likely to penalize the most vulnerable segments of the population (Cantillon & Van Lancker, 2013; Nolan, 2013).

Cantillon (2011); Taylor-Gooby et al. (2015); and Voorberg, Bekkers and Tummers (2015) argue that while the effects of Social Investment policies are varied, they tend overall to be less pro-poor than more traditional social policy. Indeed, the Social Investment agenda is criticized for making social policy "the 'handmaiden' of economic policy" (Dobrowolsky & Lister, 2008), and for being unable to discuss how policy should cope with vulnerable groups who are unable to enter employment (Cantillon & Van Lancker, 2013). Building upon these arguments, Deeming (2016) castigates it as a rhetoric of reform that has moved away from entitlements and rights. Finally, there remains a question of how much Social Investment is actually new or merely "old wine in new bottles" as welfare states in the past have also emphasized "productive" social policy (Nolan, 2013).

The European Commission, as a major player in Social Investment, has argued that "Innovation is an essential element of Social Investment policy since social policies require constant adaptation to new challenges" (Evers, 2013). As a concept, social innovation draws upon the extensive literature on innovation in technology and business, but with a specific reference to addressing human needs

(Marques et al., 2017). It is a more complex and challenging concept to define than Social Investment; there are some 46 different definitions identified in a recent review of the literature (Hernandez-Ascanio et al., 2016), broadly aligned in three themes of: processes of social change, sustainable development, and the services sector (Edwards-Schachter & Wallace, 2017). Empirical evidence about the characteristics of social innovation in welfare across Europe highlights non-standard answers to non-standard risks; addressing vulnerabilities associated with transitions through the life course, multiple identities and notions of co-production based on strengths and assets (Evers, 2013). According to the European Commission (2011) "social innovation mobilizes each citizen to become an active part of the innovation process" (cited in Voorberg et al., 2015). Although social innovation is a key to the delivery of Social Investment policies and programs, until recently the literature on social innovation has not taken account of the discourse on welfare and social policy (Ewert & Evers, 2014).

Research Approach and Data Collection

Now, we turn to setting out how the cases were selected, why a case study approach was adopted, how evaluation was conducted, and how the synthesis reported in this paper was undertaken. Case studies are a well-used tool in the armory of applied social research (Byrne, 2009). Their power is that they can generate valuable knowledge that is "concrete, practical (context-dependent)" (Flyvbjerg, 2006). Case studies are sensitive to detail and complexity in ways that help to make visible the chains that link (or fail to link) policy to outcomes for individuals and places (Ragin, 1989). They aim to develop understanding of causation beyond the idiosyncratic while rejecting any quest for universal laws (Byrne, 2009). A case study is an approach to what is to be studied rather than a method (Stake, 2008). In this research, the unit of analysis was individual Social Investment programs. Our research partners collected multiple sources of evidence, which were mainly qualitative. These include documentation, archival records, interviews, direct observation, participant observation, and physical artifacts.

A total of twenty case studies were conducted across ten EU member states. Local research teams at the member state level proposed potential case studies, using common inclusion criteria. These criteria included conformity to the research definition of Social Investment, implemented at sub-national level, and involved social innovation. The operational definition of social innovation, following Bransden, Evers, Cattacin and Zimmer (2016) was "ideas translated into practical approaches; new in the context where they appear." Examples included new forms of partnership working, co-production, and different and innovative forms of financing and/or intervention. The proposed cases were then considered as a whole, ensuring the overall sample included variety in terms of type of intervention, funding source, type of innovation, and service model adopted. For example, active labor market programs are strongly associated with the Social Investment paradigm and, reflecting this, more than half (twelve out of twenty) of the case

Table 1. Summary of cases selected

Case Study	Social Investment	Social Innovation
Youth Guarantee **Finland**	Improve access to education and jobs for young adults	Public–private–people partnership with young people actively shaping their own future
User-driven local public services *May I help you* **Finland**	Strengthen communality; engage unemployed youth and isolated older people;	Experimental service design with end-users shaping services
Berufundfamilie (work & family) **Germany**	Reconcile employment and family life	Municipal stimuli for corporate and municipal family policy.
MAMBA (Action program for the labor market integration of migrants) **Germany**	Support migrants to contribute to local labor markets	Inter-sectoral collaboration and networks between originally distinct systems;
Connecting vocational school graduates with the labor market **Greece**	Addresses youth unemployment through competences for the labor market	Forge new links between businesses and vocational education.
Women's Participation in Trade Unions **Greece**	Active participation of women workers in positions of responsibility	New approaches to counseling and information on labor issues for women
Tanoda "Brain Wheel" **Hungary**	Reduce drop out from education by disadvantaged mainly Roma children	Connects institutions around the children
Personalized care plans in Sardinia **Italy**	Autonomy and independent living for people with severe disabilities	Co-production between family, local social services, and personal assistants
Early childhood education and care in Emilia-Romagna **Italy**	Education and early childhood care; support parents' labor market participation	Best-practice for the relationship between public, private, and social economy actors
Employment from A to Z ("Accompaniment") **Poland**	Address social and labor market exclusion	Solutions that already existed delivered in new ways; involves representatives of all sectors.
Active regardless of the age **Poland**	Dignified aging through social activity; inter-generational integration	Many socially innovative local initiatives under the program
Energy co-operatives **Spain**	Address fuel poverty; benefit future generations with greener energy	Foster new kinds of sustainable behaviors
Valenciactivia—active employment in the city of Valencia **Spain**	Preparing unemployed people for the new economic reality rather than reacting to it	Empower change agents at an increasingly decentralized level; bring together trade unions and a business association traditionally on opposite sides
School reform—improve teacher knowledge for immigrant children **Sweden**	Invest in human capital; prevent future marginalization of immigrants.	Changes in strategies and structures in organizations linked to schools
Partnerships between idea-based and public organizations **Sweden**	Integration of unaccompanied young migrants into Swedish society	More equal long-term collaboration between sectors on new societal challenges
"Green Sticht" (diverse neighborhood) **the Netherlands**	Move vulnerable people from dependency	Integration of self-reliant residents with socially vulnerable ones with regard to housing, work, and living

Table 1. Continued

Case Study	Social Investment	Social Innovation
Urban Farming **the Netherlands**	Activation of vulnerable people (training, voluntary work, employment, entrepreneurship)	New forms of social value and exchange
Troubled Families in Greater Manchester **UK**	Improve school attendance; support for parenting; address parental worklessness	Challenging the way services have worked in silos; Payment by Results (PbR) to local authorities
Working Well in Greater Manchester **UK**	Tackle severe barriers to employment and achieve sustained job outcomes	Fundamental reworking of how services work together across the sub-region; a PbR model to incentivize non-state providers

studies examined by this research have active labor market interventions as either a primary or secondary focus. Other policy areas within the Social Investment paradigm are early intervention and education, social inclusion and solidarity, and supporting people in work, all of which are also covered by the case study interventions, either individually or in combinations. Table 1 below gives details of the twenty case studies, and an indication of the Social Investment of the social innovation aspects of each project for which they were selected.

A common evaluation method was adopted across the twenty case studies. In each case study, a research team based in the respective EU member state reviewed secondary data and conducted new empirical research using multiple methods adapted to the specific circumstances. Each case study resulted in a research report of between 30–40,000 words, which have been published separately. The paper outlined here provides a synthesis of these twenty individual reports. In undertaking this synthesis, each case study report was critically reviewed by researchers from two academic research partners. Team members (working first individually and then in pairs) analyzed each of the case studies thematically, using an agreed analytical framework. The team then collectively compared these analyses to develop key themes, commonalities, and outliers, and to identify key implications for our understanding of Social Investment.

Findings

Our findings relate broadly to aspects of governance, recognizing that governance is a concept that is understood in many different ways in terms of Social Investment. Previous published work in the field (for example, Erhler, 2012; Heidenreich & Graziano, 2014; Van Berkel & Borghi, 2008; Van Berkel, 2010) has identified a number of commonalities, at the national level, in the ways in which Social Investment programs are designed and implemented. These provided a useful framework for the analysis presented here. We drew particularly on governance as being about new service provision models (Van Berkel & Borghi, 2008), which we take to mean inter-agency, cross-sector and partnership working, personalization (sometimes referred to as individualization in the governance of activation literature), and finance, marketization and the use of incentives (Ehrler, 2012; Van Berkel & Borghi, 2008; Van Berkel et al., 2012). We follow our discussion of finance with non-financial resources in the form of unpaid work (associated with the presence of social economy organizations).

A key finding of this research was that volunteering was a fundamental part of the case study programs investigated through this research. Volunteering was used both as a means by which human and social capital was activated, and also as a means to finance Social Investment. It is clear from our research that volunteering is a service model that is consistent with governance of activation approaches, but is not identified or explained in the governance of activation literature. This is an important finding, and one with significant implications for development of theory around the governance of activation. Finally, we link some of these themes with New Public Management (Hood, 1998), and thereby with issues around performance management, drawing on Ehrler (2012).

Partnership and Inter-Agency Working

Governments involve non-state actors in welfare state reforms and, in turn, non-state actors may pilot reforms themselves, which are then adopted by governments. In the case studies, there were many examples of the redistribution of implementation roles, often expanding the importance of social economy actors. The social economy can generate new ideas and be crucial in the beginning of small, locally based, experimental, pilot activities, projects, and actions. Innovations they initiate may remain local but are often taken up by government agencies and mainstreamed. This happened with the childcare model in rural Emilia Romagna, part of the ECEC case study, Italy, which was rolled out in the region and became internationally well-known.

Social economy groups are mainly engaged in delivery in across the case studies, but some tried to influence policy. This was so in MAMBA, Germany, where in addition to case-based work, the partners contribute to awareness-raising to sensitize the public, officials, and employers to the precarious situation of refugees. In the *Partnerships between idea-based and public organizations, Sweden* non-profit participants told evaluators that they have gained greater abilities to influence local policy though participating in a partnership with local government.

The case studies involved many different kinds of social economy organizations including local activists and international NGOs. Faith groups were important in the German city of Münster, which has many long established Catholic and Protestant institutions and the *Green Sticht* had support from a Catholic foundation. Faith groups also made significant contributions in Poland and to some extent in Hungary, both former communist countries where civil society traditions are usually said to be weaker than in Western Europe.

There are positive examples of success at achieving "collaborative advantage" (Huxham, 2003) through various kinds of joint working to achieve common Social Investment goals. The rationale is usually that the social challenges are too big and complex for one agency, and that users' needs do not conform to professional and organizational boundaries. The new forms of governance in the case studies varied from legally constituted multi-agency vehicles to informal network co-operation. They had in common that they were created and operationalized above the level of a single agency, and were able to activate new resources. MAMBA, Germany for example, stands out as a success story of innovative Social Investment mainly as a result of intensive, time-consuming personal assistance achieved through fruitful collaboration of very different organizations from the voluntary, public, and private sectors. Collaborations, networks, and partnerships are rewarding but also challenging. Cross-sector and cross-agency value frameworks can compete. Barriers include reporting regimes as well as divergent goals and priorities.

Personalization

Personalization is a current buzzword in many areas of social policy, and can mean many things (Needham, 2011). It is seen as key to delivering public services in new, more effective, and more cost-effective ways. At its most simple, it means that public services respond to the individual needs of clients rather than offering a standardized service, and this form of personalization is evident in all of the case studies. In several of the labor market activation programs, for example, local decision makers have articulated a stark distinction with "one-size-fits-all" interventions that have failed in the past. So, for example, "tailored, participant-focused measures" are a central element of MAMBA, Germany and in Utrecht, the Netherlands, the model employed in the De Volle Grond urban farm sought to support people with complex and intensive care needs toward employment, with a strong focus on the empowerment of individuals. Similarly, *Connecting Vocational Schools Graduates with the Labor Market* (Greece) responded to the needs of clients with personalized vocational counseling sessions and in Working Well (UK), key workers address barriers to the labor market with "intensive, personalized, and continuous support to clients" (GMCA, 2016).

In some versions of personalization, users of public services are expected to act as "consumers"; personalization is enabled by mechanisms to devolve budgetary control from state agencies to the individual, and service users become commissioners of their own services, selecting and buying what they decide will best meet their particular needs. Such an approach to personalization is only apparent in the Sardinia case study, where severely disabled people and their families were involved in assessing their own needs and planning their care through the instrument of a personal budget. These are mainly used to employ personal assistants, but there are some examples of young people using part of their budget for other activities, such as participating in sport. Overall, personalized care in Sardinia was seen by many participants in this research to have achieved its intended outcome in that users and families were no longer seen as mere passive targets, but as people with competencies and capacities, able to elaborate solutions. In more radical (sometimes called deep) versions of personalization, families and individuals are actively involved in, or lead, the specification of their support services. This is apparent, for example, in Valenciactiva, Spain which took new, collaborative approaches between service users and agencies. The ethos of Tanodas (Hungary) is to work with each young person as an individual and to respond to their needs. Young people and mentors work together to design the weekly timetable, adapted to individual remedial plans.

A related concept to personalization is that of co-creation. A term adapted for public services from the private sector, co-creation involves service users as a source of product and service innovation. It denotes "***active involvement*** of end-users in various stages of the production process" (Voorberg et al., 2015) (emphasis in original). The notion of co-creation shares with deep personalization the goal of active involvement of service users in reciprocal relationships with professionals. In contrast to even the most radical versions of personalization, co-creation locates users and communities at the center of the decision making process. There are several examples of co-creation in the case studies. In Emilia Romagna, new early childhood services were developed to respond to specific local contexts, with more emphasis on community participation and empowerment than individual service users as "customers." The services included in that case study share a strong commitment to working with families in a participatory and inclusive way that values the contribution each parent can bring to childcare and education. In Spain, the Alginet Energy Co-operative has resulted in a changed relationship between energy providers and consumers. The Co-op has developed a more personalized service for those in energy poverty. This is not just through its intensive work with those unable to pay bills to reduce their energy usage, which raises awareness of consumption and empowers them to control this aspect of their lives. There is also a substantially changed power relationship between provider and consumer inherent in the co-operative model structure.

Sometimes, an element of co-creation was an aspirational ideal, not fully realized in practice. In the IOP partnership (Sweden), voices were raised at the start to include and empower young people in assessing planned services, but this was not carried through successfully. A reference group was formed of 12 young people to represent views but this did not work as intended because members dropped out. The partnership's reflections on this experience suggest that there was lack of understanding and interest among service users mainly due to psychological insecurity. A lesson for the future, they commented, is the need for more time to prepare both young people and partners for young people's involvement. Although the achievement of co-creation in the case studies was quite limited, it was an ambition that inspired many participants (especially in the social economy). It has potentially profound implication for governance if people normally seen as receivers of services are taken seriously as innovators, designers, and decision makers.

Financing Social Investment

Social Investment is about more than just money; but how Social Investment is financed, by whom, in what ways, and whether innovative approaches to financing Social Investment are being used are important questions addressed in each of the case study evaluations. Our synthesis identified three cross-case themes that are significant here. In terms of how and by whom Social Investment is financed, most of the cases examined are funded wholly or mainly through public sources, and just over half of the case studies involved European Union (EU) funding. This is perhaps not surprising: the EU is a key factor in Social Investment, and has increased its policy and wider role since the financial crash of 2008 (Leoni, 2015). There are a few elements of financial input from the private and charitable sectors; a nursery in Bologna (part of the Early Education and Care case study), was made possible by an unusual arrangement of resources from public, for-profit and private non-profit actors. Another is the Spanish work activation program, *Valenciactiva*, which is funded by the Valencia Business Association (the major business association in the area), and the local municipality (through the European Social Fund). But these examples are exceptions; overwhelmingly, the twenty case studies examined in this research are funded from the public purse. Table 2 below sets out the funding sources for each of the twenty case studies.

The case studies are funded either on an ongoing basis or as projects with an expectation that funding will end on a given date. Project funded cases are typically ones that receive EU funding. Exceptions are the Kainuu participatory democracy project in Finland (funded by national government for a three year

Table 2. Funding sources of Social Investment program case studies

Funding combinations	Case study	Location
Public (national) funding sources only	Working Well	Greater Manchester, UK
	User-Driven Development	Kainuu region, Finland
	Troubled Families	Greater Manchester, UK
	Social Land Program	Hungary
	School reform	Sweden
	Personalization of care	Sardinia, Italy
	Partnerships between idea-based and public organizations	Gothenburg, Sweden
European Structural and Investment Funds	Women in Trade Unions	Greece
	Connecting Vocational Schools Graduates with the Labor Market	Greece
	Active regardless of age	Poland
	A to Z employment	Wroclaw Poland
Public (national) and European Commission	Berufundfamilie (work & family)	Münster, Germany
	MAMBA	Münster, Germany
	Youth Guarantee	Finland
Funding combinations	Case study	Location
Public (national), European Commission and non-public funding elements	Tanodas	Hungary
	Valenciactivia	Valencia, Spain
	Green Sticht	Utrecht, Netherlands
Public (national) and non-public funding	Urban Farming	Utrecht, Netherlands
	Early Childhood Education & Care	Emilia Romagna, Italy
Non-public only	Energy Co-operative	Valencia, Spain

period to 2017) and Troubled Families in the UK (the second phase of this government program is funded across England through to 2020). Overwhelmingly, the twenty case studies did not involve innovation in terms of funding but rather utilized familiar funding mechanisms, often similar to more traditional, "consumption" programs. There are, however, some notable examples of innovation in the funding of Social Investment in the UK, Italy, Hungary, and the Netherlands. The evaluation of both Dutch case studies showed that income earning activities have put the projects into a strong position. The income of De Volle Grond urban farm is mainly from contracts with the municipality to provide care. It supplements this by selling vegetables through a weekly subscription system and deliveries to a nearby restaurant, providing a reliable source of revenue independent of public funds. *Green Sticht* has created an entirely new neighborhood with an informal support system for socially vulnerable people. Residents live alongside citizens who are formerly homeless. Green Sticht has become financially self-reliant; it owns the real estate and generates income by renting out rooms in the residential/working community. In addition, it operates social enterprises, including a restaurant, a furniture workshop, a thrift store, and catering at neighborhood festivities.

There are similar examples in the case study reports in Italy and Hungary of enterprising income generation. A nursery in Bologna (part of the Early Education and Care case study) has achieved a sustainable income by taking children paid for by local companies on behalf of their employees as well as those whose places are financed directly by the municipality. In Hungary, some "entrepreneurial municipalities" associated with the *Social Land Program* have increased responsibility for standards of living and employment of local residents and for a "self-sustaining community." Some are acting like businesses, participating in production, with examples of locally produced goods (pasta, jam, garlic, paprika powder) being used to generate income for the municipality and/or to provide resources for the community.

Financial innovation in the Netherlands, Hungary, and Italy is very much at the local, project level, where innovation has come from the necessity to generate funds. The situation is very different in relation to the two UK case studies, where the national government has designed the program to include an outcome-based funding mechanism known as Payment by Results (PbR). Implementation of PbR varies but in essence it means that payments to a service provider are wholly or partly dependent on documenting the achievement of specified outcomes. In *Working Well* (UK), non-state providers are paid partly on attachment and partly on client outcomes. English local authorities delivering the *Troubled Families* program are paid partly through demonstrating to central government that they have met program outcomes. As with *Working Well*, there is a combination of payment for each family enrolled in the program and on evidence of families being "turned around." There are many criticisms of the principles of PbR and indications from the UK and elsewhere that it has not so far delivered on its promises (Albertson, Fox, O'Leary, & Painter, 2018). We found concerns at local level that PbR mechanisms in *Troubled Families* are not well aligned with Greater Manchester's ambitions for making Social Investment interventions more effective through better integrated services. The two Greater Manchester examples of PbR do not appear to have led to "creaming and parking" as feared by PbR opponents. Nor, however, did we find evidence of direct links between PbR and innovation, as anticipated by its advocates.

Non-Financial Resources (Volunteering)

Volunteering is not a type of resource that is discussed in any detail in the wider governance of activation literature, and does not appear in either the cross-national or national case studies discussed in the Social Investment literature. But at the sub-national level, in many of the case studies we examined, volunteering is both a means by which interventions are funded, and a service model by which activation is delivered. Some interventions in the case studies are made possible by non-financial resources in the form of substantial inputs of volunteer work, often drawing upon local traditions of civil participation. In Münster, the MAMBA coordinating association is supported by about 200 volunteers. It matches volunteer learning mentors and suitable mentees with a migrant background. It is able to achieve this because there is a strong civil society in the city with hundreds of associations, foundations, citizens' committees, and other voluntary organizations. Münster is the seat of a Catholic diocese and both Catholic and Protestant initiatives are of great importance for refugee aid. The Swedish *Partnerships between idea-based and public organizations* depend heavily on volunteers and an important strength of the partnership with nine non-profit organizations is their ability to connect to volunteers. They match-make volunteer mentor families living in the city and also recruit and coordinate volunteer counselors to deliver a service developed for the particular needs of young, unaccompanied migrants. In this way, public resources are maximized by collaboration with non-profit actors, using their (non-publicly financed) resources. Contributions in the form of unpaid work are mainly from volunteers associated with non-profits but one without any volunteers called upon its retired staff to help out.

Many of the case studies valued the non-financial contribution provided through volunteering to the success of their projects; indeed, some of the case study programs could not have functioned without volunteers to help deliver them.

Volunteering was a significant resource (input), but that was only part of its contribution. Many of the case studies have identified volunteering as a mechanism by which to build human capital and social capital. For example, volunteering is a significant feature of the Polish *Active at any age* case study, developing social activity to improve beneficiaries' quality of life and helping to build social networks within and between generations. In both the Dutch case studies, volunteers support service delivery, for example by working in the *Green Sticht* social enterprises. At the same time, clients undertake voluntary work intended to help move them toward employment and to support community integration. And in developing social capital, an "added value" approach is predominant: it builds on the resources of the target group and accordingly, it does not only improve, but use and involve already existing social capital (motivation, personal skills, professional knowledge, key skills). There were some notable examples of initiatives where enhanced social capital helps to strengthen aspects of the public sphere. The early childhood center in the small Italian town of Comacchio, for example, offers a space where people of different generations, ethnicity, religions, and cultures can meet in a safe and controlled environment. In Hungary, there is some evidence that the exchange of goods and services by barter encouraged by the *Social Land Program* strengthens involvement in the community and contributes to reducing tension between locals and "outsiders."

Performance Management

All projects and programs generate *some* data, whether as part of a formal evaluation or as a by-product of their activity. This includes the financial information created as organizational accounts, administrative data created for the management and implementation of activity, and the extra data created through evaluation and research activities done during and after the activity. Projects and programs themselves have created and analyzed data with the aim of producing *stories or pictures* of the activities, with varying levels of formalism, from narratives of process to calculations of Social Return on Investment (SROI), Cost–Benefit Analysis (CBA), or Cost-Effectiveness Analysis (CEA).

For most of the case studies, spending data are often the most readily available, with even the smallest projects having some idea of the financial resources that pass through their books. That said, one of the case studies found even this difficult. The Swedish *School Reform* program was accounted for in different ways in different schools, such that it was difficult to unpick spending in this area from that of the broader school budgets. In other circumstances, financial information can be considered "sensitive" by partners and so full figures are not given. Furthermore, where a budget gives a figure for resources used by a project, it is not always clear if this includes all resources that it uses over its lifetime. Important inputs are made in-kind as well as in money, often through volunteering as discussed above. Volunteers, however, are sometimes also beneficiaries, as in the Dutch urban farm, thus exacerbating the difficulty of any meaningful economic estimate of their inputs. Furthermore, the longer term development costs associated with a particular set of activities, including those of organizations that may have been involved in shaping or bidding for work, are not directly included as inputs.

Case study researchers identified many challenges in assessing and measuring impact, however broadly or narrowly defined. Firstly, some of the case studies were explicit that what to measure is itself subject to choice and can be contested. So, for example, Finland's *Youth Guarantee* notes that administrative branches interpreted problems and desirable outcomes of their target group in different ways. Similarly, the Hungarian *Tanoda* report identified the different but overlapping criteria used by the various organizations involved. Thus, an unintended consequence of the cross-agency or cross-sector collaboration in Social Investment can be the multiplication or complication of targets and reporting. This seems especially likely to be the case where multiple funding sources, with different requirements, are used in the same program. Secondly, there are some circumstances in which projects or researchers cannot use potential sources of data. Relevant aggregate data such as sickness rates, job turn-over rates and working hours were considered too sensitive to provide to evaluators of the *Berufundfamilie (work and family)* program. In the Swedish IOP partnership case study, access to young people was impeded by high work loads of partner staff whose assistance would be needed in order to contact them. Finally, the most common difficulty identified was the disjunction between the short-term nature of funding, programs and evaluation activities, and the need for assessment of long-term outcomes; Tanoda identified "interim impacts" and MAMBA that "a reliable summative evaluation of the long-term outcomes is hardly possible."

This means that judging impact and economic impact is extremely challenging. Interventions with an employment component are more likely than others to assess economic impact. The UK's *Working Well* and Spain's *Valenciactivia* used Cost–Benefit Analysis (CBA). In the Netherland's Green Sticht, researchers also suggested a CBA method but lacked substantial data. The German MAMBA used ROI and break-even analysis, and Hungary's *Tanoda* evaluation used a Cost-Effectiveness Analysis. Overall, it is much easier to produce an assessment of economic impact where a project aims to have an impact on an easily monetizable area of life, (particularly employment and changes intaxation and out-of-work benefits).

Poland's *Assistance from A-Z* and *Active regardless of the age* evaluations used Social Return on Investment (SROI) methodology. SROI differs from conventional cost–benefit analyses in applying a concept of value that incorporates social and environmental as well as economic costs and benefits, using monetary proxies to represent non-monetary impacts (Gibbon & Dey, 2011). Other approaches such as revealed preference (developed for the context of consumer behavior) could in principle be applied to goals that are difficult to monetize and valued differently by different people. For some local participants who drive change, the problem of representing the non-economic ambitions of Social Investment cannot be reduced to the selection of measurement tools. In the Italian ECEC evaluation, for example, local stakeholders asserted a vehement commitment to children's rights and social justice, and rejection of a "return on investment" logic. The *Green Sticht* can undergo "continuous process evaluations" and Working Well can draw on learning from both *Troubled Families* and the UK's *Work Program*. That said, the studies also point to the relationship of projects with the wider policy arena as an influence on survival and roll out. Poland's *Assistance from A-Z* was found to be on the "micro scale" and so did not affect "existing institutional arrangements" (which could result in a working under the radar that facilitates long-term survival). For Finland's *Youth Guarantee*, however, it is "sponsors from the political level" who ensure continuity and funding.

Overall, there was a lack of monitoring outcomes and demonstration of the return that financial and other investments generated. This is a significant finding, and one which resonates much wider in social policy than just Social Investment. The UK case studies were an exception in that they deployed an outcome-based funding model (Payment by Results).

Conclusions

There is a lack of empirical research around Social Investment programs at the sub-national level, and lack of connectivity in the Social Investment literature with the concept of social innovation. This paper has attempted to address these gaps by drawing upon original empirical evidence of innovative Social Investment programs and interventions, gained from twenty individual sub-national case study evaluations, conducted across ten EU member states as part of a larger research program under Horizon 2020. It has focused on the governance of activation of Social Investment programs, and particularly on examples of social innovation in the governance of such programs.

We draw three broad conclusions from the empirical research presented here. Firstly, it is essential for us that future empirical research around Social Investment examines sub-national and local programs, rather than focusing theoretical and empirical research at the national level (especially macro-comparative analysis of changes in national government expenditure). Examining sub-national programs gives a much more nuanced and complicated picture of whether and how Social Investment programs are conceived and implemented, of the challenges faced, and address key questions are whether there has been a paradigm shift in welfare policies.

Secondly, while Social Investment is intrinsically linked to social innovation, we find a lack of theoretical conception of this link. More importantly, there is a great deal of variety in forms of social innovation in the design, delivery, and funding of Social Investment programs and further work is needed to explore and explain this. Our research illustrates how the ambitious goals of Social Investment can be located in the social economy, sustained and sometimes growing in innovative niches. There are opportunities for social innovations to be scaled up and mainstreamed when powerful agencies are successfully enrolled.

Finally, there is a significant gap in the governance of activation literature around volunteering. Volunteering was a significant feature of many of the cases we researched, and was both a means of funding Social Investment, and a means by which activation (through the development of human and social capital) might be achieved. It is clear from our research that volunteering is a service model that is consistent with governance of activation approaches, but is not identified or explained by the governance of activation literature. This is an important finding, and one with significant implications for development of theory around the governance of activation. While outside the scope of this paper, more work is needed both to explore examples of volunteering, and explain how volunteering fits within the governance of activation and wider Social Investment literature.

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